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 B. (TEHERAN) 21979 (1~1/3779)

 C. (TEHERAN) 21990 (1~1/57/1)
- L. AT SENATE ARMED SERVICES COMMITTEE PARTY 13 DECEMBER.

 I ASKED TOM KOROLOGOS, DEPUTY ASSISTANT TO PRESIDENT FOR LEGIS—

 LATIVE AFFAIRS, IF HE COULD THROU LIGHT ON BAKER PROBLEM. HE SAID

 IN CONFIDENCE BAKER HAD DISCUSSED *GENCY/UATERGATE MATTER WITH

 HIM AND MADE CLEAR THAT BAKER'S CENTRAL HANGUP IS THESIS ADVANCED

 BY COPERLAND AND ST. GEORGE THAT AGENCY STAGED WATERGATE IN ORDER

 TO ENTRAP PLUMBERS. KOROLOGOS INDICATED BAKER MAY HAVE BEEN

 PARTICULARLY INFLUENCED BY COPELAND ALLEGATIONS.
- 2. ON 13 DECEMBER, LYLE MILLER, WITH BAKER'S PERMISSION, REVIEWED 190 PAGE TRANSCRIPT OF MARTINEZ TESTIMONY BEFORE BAKER. IN GENERAL, MARTINEZ' ACCOUNT OF SIGNIFICANT DEVELOPMENTS

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CONSISTENT WITH AGENCY TESTIMONYU AND RECORDS AVAILABLE TO BAKER. MOREOVER, MARTINEZ SAID STURGIS DENIES ALLEGATIONS WHICH ST. GEORGE ATTRIBUTES TO HIM. HOWEVER, MARTINEZ DID STATE TO BAKER THAT HE CONSIDERED TRADECRAFT OF PLUMBERS UNBELIEVABLY FAULTY. FROM THOIS BAKER APPARENTLY INFERS THAT THIS FAULTY TRADECRAFT WAS DELIBERATE ON PART OF AT LEAST ONE OF PARTICIPANTS WHO SOUGHT THEREBY TO LEAD OTHER PARTICIPANTS INTO TRAP. MARTINE! FLATLY DENIED ST. GEORGE ALLEGATION THAT HE WAS "ANYONE'S DOUBLE AGENT."

- 3. UNDERSTAND ANOTHER ADVOCATE OF THE "ENTRAPMENT" THEORY ENOT NECESSARILY ENTRAPMENT BY CLASSBUT MERELY ENTRAPMENT BY A MYSTERIOUS "THIRD FORCE" IS ED HENLEY, FORMER OGC STAFFER AND MORE RECENTLY SENIOR OFFICIAL WITH MOBIL OIL AND KNOWN TO BE ON CLOSE TERMS WITH BAKER.
- 4. SEVERAL DAYS AGO IN RESPONSE TO A QUERY FROM TOM BRADEN WE SENT BRADEN A COPY OF MEMO GIVEN SYMINGTON ON 7 NOVEMBER AND QUOTED IN REF A. PARA 4. ON 13 DECEMBER WE RECEIVED FRHOM BRADEN. UITHOUT COVERING COMMENT, A COPY OF "THE TOM ERADEN REPORT"

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CAPPARENTLY A NEUSLETTER--UNDERSTAND HE IS NO LONGER ASSOCIATED WITH LOS ANGELES TIMES ALTHOUGH THEY SYNDICATE HIS MATERIAL) OF LL DECEMBER ENTITLED "CAN HE BLAME IT ON CIA?" FULL TEXT, WHICH HAS NOT YET APPEARED IN ANY PUBLICATION WE KNOW OF, FOLLOWS:

MIXON WILL BE TO BLAME THE WATERGATE ON THE CENTRAL INETELLIGENCE
AGENCY. SUCH IS THE VIEW OF FORNER CIA DIRECTOR RICHARD HELMS, AND
SUCH IS THE DIRECTION IN WHICH SEN. HOWARD BAKER (R.TENN) AND HIS
MINORITY STAFF ON THE ERVIN COMMITTEE ARE NOW PROCEEDING. IT IS
NOT A VERY SALABLE THEORY, BUT IT'S ABOUT ALL THAT'S LEFT; AND IF IT ED
COULD BE MADE SALABLE, IT MIGHT EGET RICHARD NIXON OFF THE HOOK.
CONSIDER: IF CIA ACCOMPLISHED THE BREAK-IN, THE SUBSEQUENT WHITE
HOUSE COVERUP MIGHT BE EXCUSED ON THE GROUNDS THAT THE PRESIDENT HAD
TO PROTECT EHIS SECRET INTELLIGENCE SERIVCE. AND IF THE ECOVERUP
COULD BE EXCUSED ON THAT GROUND, UNRELATED CRIMES SUCH AS ILLEGAL
CONTRIBUTIONS, FORGERIES AND ALLEGED EXTORTIONS MIGHT BE PARDONED

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AS IMISTAKES OF JUDGMENT ARISING FROM EXCESSIVE POLITICAL ZEAL. THUS, "SOME SINISTER FORCE," GEN. ALEXANDER HAIG PUT IT TO JUDGE JOHN J. SIRICA THE OTHER DAY, MIGHT EVENTUALLY BE USED TO EXPLAIN ALL. THREE RECENT MAGAZINE ARTICLES--TUO PUBLISHED IN THE MATIONALBERG REVIEW BY A FORMER CIA EMPLOYEE NAMED MILES COPELAND; THE OTHER, PUBLISHED IN HARPEURS BY ANDREW ST. GEORGE--SUGGEST THE PRESIDENT'S SEN. BAKER HAS CALLED THE ATTENTION OF ALL THREE LAST STAND. AURTICLES TO HIS COLLEAGUES ON THE ERVIN COMMITTEE. COPELAND ALLEGES THAT THE WATERGATE OPERATION WAS CIA'S RETALIATION AGAINST. THE WHITE HOUSE FOR SETTING UP THE PULLMBERS AS A RIVAL APPARAT. "MCCORD TOOK LIDDY INTO A TRAP," HE URITES, AND "AFTER ALL, THE CIA SPECIALISTS IN OPERATIONS OF THE PLUMBERS' KIND HAD A LOT TO GAIN BY PUTTING THE WHITE HOUSE CLOWNS OUT OF EBUSINESS." ST. GEORGE MAKES A SIMILAR ALLEGATION AND ADDS DETAIL WORTHY OF DO? AND A FLEMING "AH, WELL," HE QUOTES HELMS AS TELLING THE YOUNG WATCH OFFICER WHO TELEPHONED HIM TO REPORT THE BREAK-IN, "THEY FINALLY DID IT ... A PITY; THEY REALLY BLEW IT ... IF THE WHITE HOUSE TRIES TO

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RING ME...JUST TELL THEM YOU REPORTED MCCORD'S ARREST ALREADY. SAID I WAS (ITAL) VERY (UNITAL) SURPRISED." SEN. BAKER HAS ALSO ASKED HIS COLLEAGUES TO VIEW A 28-PAGE MEMORANDUM PREPARED BY ONE OF HIS INVESTIGATORS NAMED GEORGE MUREPHY. MURPHY'S FINDINGS. BAKER HINTS, IMPLICATE THE CIA. DOES THE THEORY THAT THEE CIA IS AT THE BOTTOM OF THE WATERGATE MAKE SENSE? IS IT DA REASONABLE PRESIDENTIAL DEFENSE? RICHARD HELMS HAS TESTIFIED AS FOLCLOUS: "I AN PREPARED TO SWEAR THAT NO SUCH CONVERSATION EWITH THE CIA WATCH OFFICER TOOK PLACE... THE QUUOTATIONS ATTRIBUTED TO ME... UERE NEVER SAID BY ME. OF THIS I AM CERTAIN." FROM THE TIME HE FIRST LEARNED OF THE WATERGATE BREAK-IN, HELMS HAS BEEN AFRAID THAT IT HOULD BE BLAMED ON HIM. PUT YOURSELF DFOR A MOMENT IN HIS SHOES. YOU ARE A CAREER SERVANT. YOU JOINED THE OFFICE OF STRATEGIC SERVICESCOSS DURING THE WAR AND YOU STAYED ON TO HELP A SERIES OF DIRECTORS BUILD THE FIRST U.S. INTELLIGENCE SERVICE. PEPRESIDENT LYNDON JOHNSON

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HAS MADE YOU ITS DIRECTOR. YOU FEEL THE RESPONSIBILITY KEENLY. NOU CONSIDER WHAT HAPPENS TO YOU IN THE SUBSEDQUENT ADMINISTRACTION. FIRST, AN OLD FRIEND OF THE PRESIDENT, PATRICK GRAY, IS APPOINTED TO BE CHIEF OF YOUR MAJOR RIVAL AGENCY. ONE MONTH LATER, YOU ARE TOLD BY H-R. HALDEMAN THAT THE PRRESIDENT HAS APPOINTED ANOTHER OLD FRIEND, GEN. VERNON WALTERS, TO BE YOUR DEPUTY. AMOTHER MONTH LATER, AND JUST AFTER THE BREAK-IN, YOU AND YOUR NEW DEPUTY ARE SUMMONED TO THE WHITE HOUSE. YOU LISTEN WHILE HALDEMAN TELLS YOUR DEPUTY THAT "IT HAS BEEN DECIDED" THAT HE SHOULD GO TO GRAY AND ASK HIM NOT TO INVESTIGATE THE MONEY FOUND ON THE BURGLARS BECAUSE IT MIGHT EXPOSE YOUR OPERATIONS. FOR THE NEUXT FEW DAYS: THE WHITE HOUSE CALLS TO DISCUSS THE BREAK-IN AND TO SSUGGEST THAT YOU PAY MONEY TO THE FAMILIES OF THOSE ARRESTED. ELEVEN DAYS AFTER THE BREAK-IN AND ON THE EVE OF YOUR DEPARTURE FOR A LONG-SCHEDULED TRIP, GRAY CALLS TO CANCEL AN APPOINTMENT YOU HAD MADDE WITH HIM. WITH THIS SEQUENCE OF EVENTS IN MINID, WHAT WOULD YOU SUPPOSE? THAT PEOPLE AT THE UHITE HOUSE MIGHT BE TRYING TO BLANE THE WATERGATE ON YOU? THAT'S WHAT HELMS SUPPOSED AND SUPPOSES STILL."

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ON 14 DECEMBER BAKER MET WITH ROBERT BENNETT OF MULLEN COMPANY, HIS FATHER SENATOR WALLACE BENNETT AND GEORGE MURPHY TO REVIEW AGENCY MENOS COVERING OUR RELATIONSD WITH MULLEN COMPANY. AFTER MEETING, WHICH LASTED TWO HOURS, BAKER EMERGED AND TOLD LYLE MILLER THAT EVERYTHING BENNETT SAID WAS CONSISTENT WITH WHAT WE HAD TOLD BAKER AND IT WAS BECOMING CLEARER THAT AGENCY NOT INVOLVED WATERGATE BUT BAKER RESERVES OPTION TO PURSUE MATTER FURTHER SINCE HE DOESN'T WANT TO GO TO HIS GRAVE WITHOUT HAVING GOTTEN TO THE BOTTOM OF IT. SOME HE STILL RECEIVING INFO APPARENTLY IMPLICATING AGENCY, HE ASKED FRED THOMPSON, MINORITY COUNSEL OF ERVIN COMMITTEE, IF HE SHOULD TELL MILLER "ABOUT THE MONEY." THOMPSON ADVISED HIM NOT TO REMARKING HE WAS NOT SURE OF HIS SOURCE. WE HUAVE NO IDEA WHAT THIS REFERUS TO-

- MANY THANKS FOR REF-C WHICH HAS BEEN DISCUSSED WITH COLBY WHO IS COMMENTING THEREON TO YOU DIRECTLY.
 - WARMEST REGARDS AND SEASONS GREETINGS. EZIMPDET.A 7.

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